

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

SB 3213 - HB 3449

April 8, 2010

SUMMARY OF BILL: Authorizes an individual whose spouse is a member of the armed services of the United States to collect unemployment benefits if the individual has left employment to accompany the spouse when the spouse is subject to a military transfer. Requires that the funds to pay these benefits come from state general revenues. Prohibits the payment of any such benefits from having an adverse effect on the employer's experience rating for purposes of determining premiums.

ESTIMATED FISCAL IMPACT:

On February 4, 2010, we issued a fiscal note for this bill indicating an *increase to state expenditures of \$365,400*. On April 8, we received information from the U.S. Department of Defense. Based on this new information, the fiscal impact for this bill is estimated as follows.

(CORRECTED)

Increase State Expenditures - \$266,700

Assumptions:

- Based on information provided by the Department of Labor and Workforce Development and the U.S. Department of Defense, there are approximately 20,800 military personnel living in Tennessee (2,500 stationed in Tennessee + 18,300 stationed at Fort Campbell in Kentucky, residing in Tennessee).
- According to the Department of Labor and Workforce Development, approximately one-half are married and one-third are transferred each year, resulting in spouses of transferred military personnel each year ($20,800 \times 50\% \times 33\% = 3,432$). Approximately one-half of these spouses are employed, resulting in 1,716 potential unemployment claims each year.
- The average weekly benefit amount for unemployment insurance is \$226.94, and the average duration of unemployment benefits is 16.1 weeks, resulting in an average of \$3,654 per claimant.
- Based on the above information, the Department of Labor and Workforce Development estimates that there will be approximately 73 claims in Tennessee each year. This will result in an approximate increase of \$266,700 in recurring state expenditures (73 claims x \$3,654 per claimant).

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- There will be no impact on state or local governments as employers. All benefits will be paid directly from the General Fund.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

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